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April 28, 2005

2005 - 130 - C

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Email Address for Steven W. Hamm
shamm@rpcrlaw.com

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

RECEIVED
2005 APR 28 PM 4:27
SC PUBLIC SERVICE
COMMISSION

Re: Notice of Election of Alternative Regulation Plan
McClellanville Telephone Company Inc., Norway Telephone Company Inc., St.
Stephen Telephone Company Inc., Williston Telephone Company Inc.

Dear Mr. Terreni:

Enclosed for filing on behalf of McClellanville Telephone Company Inc., Norway Telephone Company Inc., St. Stephen Telephone Company Inc., and Williston Telephone Company, Inc., (collectively the TDS Companies), please find an original and ten (10) copies of a Notice of Election of Alternative Regulation Plan. Accompanying the Plan are an original and ten (10) copies of the Drive Test Maps and Affidavits of Scott Baxter. The Drive Test Maps are presented on a company total basis except for the Williston and Norway Telephone Companies, due to the non-contiguous nature of their service territory.

COLUMBIA OFFICES: 1600 MARION STREET • COLUMBIA, S.C. 29201 • MAIL: P.O. DRAWER 7788 • COLUMBIA, S.C. 29202
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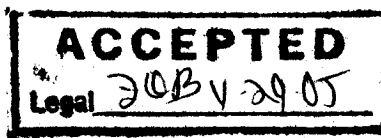
MYRTLE BEACH OFFICES: 2103 FARLOW STREET, SUITE B • MYRTLE BEACH, S.C. 29577 • MAIL: P.O. BOX 3646 • MYRTLE BEACH, S.C. 29578
(843) 448-1008 • FAX (843) 448-1533

Very truly yours,


Steven W. Hamm

Enclosures

CC: C. Dukes Scott, Esquire
James Meade, Manager, External Relations
TDS Telecommunication Companies



BEFORE THE
SOUTH CAROLINA
PUBLIC SERVICE COMMISSION
DOCKET NO. 2005-130-C

RECEIVED
2005 APR 28 PM 4:27
SOUTH CAROLINA
PUBLIC SERVICE COMMISSION

McClellanville Telephone Company, Inc.)
Norway Telephone Company, inc.)
St. Stephen Telephone Company, Inc.)
and Williston Telephone Company, Inc.)

Notice of Election of
Alternative Regulation
Plan Pursuant to S.C. Code
Ann. §58-9-576

1. McClellanville Telephone Company, Inc., Norway Telephone Company, Inc., St. Stephen Telephone Company, Inc., and Williston Telephone Company, Inc. (collectively, the "TDS Companies") are local exchange carriers operating in the State of South Carolina. The Public Service Commission of South Carolina (the "Commission") has previously issued Order No. 2002-70 in Docket No. 2001-263-C granting consolidated regulatory treatment of the TDS Companies, because they are under common ownership and management. The TDS Companies jointly submit this Notice of Election of Alternative Regulation Plan (the "Plan").

2. Pursuant to S.C. Code Ann. § 58-9-576(A), the TDS Companies elect to have the rates, terms, and conditions of services determined pursuant to the Plan authorized in S.C. Code Ann. § 58-9-576(B).

3. As of April 28, 2005, the date of notice of election of the Plan, there is presently wireless coverage advertised and available in each of the TDS Companies' Exchange service areas from the following wireless carriers, none of which is affiliated with any of the TDS Companies:

ALLTEL Communications, Inc. ("ALLTEL")
Nextel South Corp. ("Nextel")
Sprint Spectrum, LP, d/b/a Sprint PCS ("Sprint PCS")

Cellco Partnership, d/b/a Verizon Wireless (“Verizon”)

4. The Plan described herein is in lieu of other forms of regulation including, but not limited to, rate of return or rate base monitoring or regulation as authorized by statute.

5. The effective date of the Plan is May 30, 2005, which is not sooner than thirty days after filing with the Commission Notice of Election of the Plan. The Plan will apply to all local services offered by the TDS Companies that are regulated by the Commission.

6. As of April 28, 2005, the date of notice of election of the Plan, existing rates, terms, and conditions for the services provided by the TDS Companies contained in the companies’ then-existing tariffs and contracts are considered just and reasonable.

a. Each of the TDS Companies is a “small LEC” for purposes of S.C. Code Ann. § 58-9-576(B)(3). S.C. Code Ann. § 58-9-10(14) defines “small LEC” to mean a “rural telephone company” as defined in the federal Telecommunications Act of 1996.

b. Each of the TDS Companies’ flat-rated local exchange services for residential and single-line business customers is priced below the statewide average local service rates for those services, weighted by number of access lines, as shown in the TDS Companies’ respective local service tariffs on file with the Commission. Therefore, pursuant to S.C. Code Ann. § 58-9-576(B)(3), the requirements of S.C. Code Ann. § 58-9-576(B)(3) and (4) shall be waived by the Commission until such time as the respective companies’ residential and single-line business rates are priced at the statewide average local service rates for those services. At such time as any TDS Company’s residential and single-line business rates, or either of those rates, equals the statewide average local service rate for that service or those services, the rate for

the service that is priced at the statewide average rate shall be subject to the provisions of S.C. Code Ann. § 58-9-576(B)(3) and (4); i.e., that rate shall be frozen for a period of two years from the date at which it is set at the statewide average rate and, after the expiration of the two-year period, may be adjusted on an annual basis pursuant to an inflation-based index.

- c. The TDS Companies will set rates for all other services on a basis that does not unreasonably discriminate between similarly situated customers. All such rates are subject to a complaint process for abuse of market position in accordance with Commission rules and procedures.
- d. Except when exempted by law, the TDS Companies will file tariffs for price changes or new services with respect to their local exchange services (including residential and single-line business services) that set out the terms and conditions of the services and the rates for such services. Tariffs will be presumed valid and become effective seven days after filing for price decreases and fourteen days after filing for price increases and new services.

7. As supporting documentation for the Notice of Election of Alternative Regulation under subpart (3) of S.C. Code Ann. § 58-9-576(B), TDS Telecom submits the Affidavits of Scott Baxter, an independent party who is an expert technical consultant on wireless network design and performance optimization. In his Affidavits, Mr. Baxter verifies that at least two wireless providers, namely Alltel and Verizon, have coverage generally available in TDS Telecom's service area and that the providers are not affiliates of TDS Telecom. This is further documented via the Affidavits and Maps prepared by Mr. Baxter.

8. Any correspondence or communications pertaining to this Notice of Election of Alternative Regulation should be directed to:

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1600 Marion Street
P.O. Drawer 7788
Columbia, SC 29202
Office: 803-771-4400
Fax: 803-779-0016

James Meade
Manager, External Relations
TDS Telecom
9737 Cogdill Road, Suite 230
Knoxville, TN 37932-3374
Office: 865-671-4749
Fax: 865-966-4720

9. The TDS Companies respectfully request that the Commission issue an Order reflecting their election of alternative regulation as of April 28, 2005.

Respectfully submitted,



Steven W. Hamm, Esq.